

## State of Tennessee Indebtedness

	Moody's/S&P/Fitch Credit Ratings	<u>a/o June 30, 2009</u>		<u>a/o December 31, 2009</u>		<u>Difference</u>		
		Number of loans/projects	Debt Outstanding	Number of loans/projects	Debt Outstanding	Number of loans/projects	Debt Outstanding	
<b><u>Long-term General Obligation debt</u></b>								
General Obligation Bonds Outstanding	Aa1/AA+/AA+	1,342	\$ 1,488,485,000 <sup>1)</sup>	1,445	\$ 1,686,450,000 <sup>1)</sup>	103	\$ 197,965,000	
<b><u>General Obligation Commercial Paper</u></b>								
Tax-Exempt		215	\$ 162,441,000	141	\$ 263,034,000	(74)	\$ 100,593,000	
Taxable		4	13,867,000	4	36,167,000	-	\$ 22,300,000	
Total Commercial Paper outstanding	P-1/A-1+/na	219	\$ 176,308,000	145	\$ 299,201,000	(74)	\$ 122,893,000	
<b><u>Tennessee Local Development Authority</u></b>								
Bonds issued and outstanding	Aa3/AAA/AA-	59	\$ 52,660,000	59	\$ 52,660,000	-	\$ -	
Notes issued and outstanding	MIG 1/SP-1+/F1+	2	\$ 52,845,000	2	\$ 52,845,000	-	\$ -	
<b><u>Tennessee State School Bond Authority</u></b>								
Higher Education Facilities Program								
Bonds outstanding	Aa2/AA/AA	211	\$ 881,890,000 <sup>2)</sup>	211	\$ 881,890,000 <sup>2)</sup>	-	\$ -	
Commercial Paper outstanding:								
Tax-Exempt		23	\$ 72,070,000	31	\$ 95,415,000	8	\$ 23,345,000	
Taxable		9	102,230,000	12	127,230,000	3	\$ 25,000,000	
Total Commercial Paper	P-1/A-1+/na	32	\$ 174,300,000	43	\$ 222,645,000	11	\$ 48,345,000	
Qualified Zone Academy Bond Program								
Bonds outstanding	n/a	23	\$ 57,210,000	23	\$ 57,210,000	-	\$ -	
Qualified School Construction Bonds								
	Aa3/AA/na	-	\$ -	13	\$ 177,000,000	13	\$ 177,000,000	
(Security for the QZABs and QSCBs is the general obligation pledge of the local borrowers. Does not cross default to Higher Education.)								
<b><u>State Revolving Loan Programs</u></b>								
Clean Water (Sewerage)								
Principal Outstanding	n/a	161	\$ 518,704,269 *	191	\$ 543,407,000 *	30	\$ 24,702,731	
Drinking Water								
Principal Outstanding	n/a	55	\$ 75,741,427 *	70	\$ 76,237,927 *	15	\$ 496,500	
<b>Total Loans/Debt Managed by Division of Bond Finance:</b>								
		<b>2,104</b>	<b>\$ 3,478,143,696</b>	<b>2,202</b>	<b>\$ 4,049,545,927</b>	<b>98</b>	<b>\$ 571,402,231</b>	

	<u>a/o June 30, 2009</u>			<u>a/o December 31, 2009</u>		<u>Difference</u>	
	<u>Moody's/S&amp;P/Fitch Credit Ratings</u>	<u>Number of loans/projects</u>	<u>Debt Outstanding</u>	<u>Number of loans/projects</u>	<u>Debt Outstanding</u>	<u>Number of loans/projects</u>	<u>Debt Outstanding</u>
<b>Total Loans/Debt Managed by Division of Bond Finance:</b>		<b>2,104</b>	<b>\$ 3,478,143,696</b>	<b>2,202</b>	<b>\$ 4,049,545,927</b>	<b>98</b>	<b>\$ 571,402,231</b>
<b><u>Tennessee Housing Development Agency</u></b>							
Mortgage Loans/Principal Outstanding ("NIBP") (2009 Bond Resolution) **	Aa2/AA/na Aa2/na/na	25,912 -	\$ 2,037,125,000 \$ -	25,928 544	\$ 1,990,425,000 \$ 400,000,000	16 544	\$ (46,700,000) \$ 400,000,000
Mortgage Loans / Principal Outstanding		<u>25,912</u>	<u>\$ 2,037,125,000</u> <sup>3)</sup>	<u>26,472</u>	<u>\$ 2,390,425,000</u> <sup>3)</sup>		<u>\$ 353,300,000</u>
<b>Total State Indebtedness a/o 12/31/09:</b>			<b><u>\$ 4,920,823,000</u></b> *		<b><u>\$ 5,820,326,000</u></b> *		<b><u>\$ 899,503,000</u></b>

\* The State administers the State Revolving Loan Funds Programs for the Local Governments. The programs currently have no outstanding indebtedness in the capital marketplace. The programs are funded by federal and state capitalization grants. Therefore, the dollar amount of loans managed for the State Revolving Loan Programs is not included in the Total State Indebtedness.

\*\* The Issue 2009-A1 Bonds (totaling \$40,000,000) were offered to investors.

The Issue 2009-A2 Bonds (totaling \$60,000,000) and the Issue 2009-B Bonds (totaling \$300,000,000) were purchased by Fannie Mae and Freddie Mac pursuant to the Single Family New Issue Bond Program (the "NIBP") announced by the United States Department of the Treasury, Fannie Mae and Freddie Mac. Due to the special program requirements, a new general bond resolution was drafted and approved. Neither the full faith and credit nor the taxing power of the State, or of any other political subdivision thereof is pledged for the payment of principal or interest on the Issue 2009 Bonds.

### AUTHORIZED/UNISSUED DEBT

<b>General Obligation</b>	\$ 2,213,525,736	<sup>4)</sup>	\$ 1,830,233,438	<sup>4)</sup>	\$ (383,292,298)
<b>Tennessee Local Development Authority (TLDA)</b>	\$ 193,800,000	<sup>5)</sup>	\$ 193,800,000	<sup>5)</sup>	\$ -
<b>TLDA Capital Projects</b>	\$ 50,000,000		\$ 50,000,000		\$ -
<b>Tennessee Housing Development Agency (THDA)</b>	\$ 892,875,000	<sup>5)</sup>	\$ 539,575,000	<sup>5)</sup>	\$ (353,300,000)
<b>Tennessee State School Bond Authority (TSSBA)</b>	\$ 500,570,000	<sup>6)</sup>	\$ 493,477,663	<sup>6)</sup>	\$ (7,092,337)

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**Footnotes:**

1) **This amount includes the following:**

Beg. Bonds outstanding:		\$	1,535,950,000	\$	1,488,485,000		
Less: Principal maturities			(47,465,000)		(49,085,000)		
Bonds issued 12/16/09:			-		290,000,000		
Less: Refunded bonds			-		(42,950,000)		
Total Bonds Outstanding:		\$	<u>1,488,485,000</u>	\$	<u>1,686,450,000</u>	\$	<u>197,965,000</u>

2) **This amount includes the following:**

Total Bonds Outstanding:		\$	<u>881,890,000</u>	\$	<u>881,890,000</u>	\$	<u>-</u>
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3) **Excludes bonds and notes that have been refunded at December 31, 2009.**

4) **This amount includes the following:**

Beg. Authorized/Unissued:		\$	2,172,919,580	\$	2,213,525,736		
Less: Canceled Bond Authorization 8/09			(227,333,844)		(112,507,155)		
Bonds issued 9/4/09:			(141,160,000)				
Bonds issued 4/23/09:			(291,500,000)				
New ECD Bond Authorization 2008-09			262,000,000				
Governor's Bond bill			438,600,000				
Bonds issued 12/16/09: 2009 Series C					(235,890,000)		
2009 Series D					(9,840,000)		
Less: Original Issue Premium 12/16/09					(25,055,142)		
Authorized/Unissued a/o 12/31/09:		\$	<u>2,213,525,736</u>	\$	<u>1,830,233,438</u>	\$	<u>(383,292,298)</u>
TDOT Bond Authorization:		\$	855,000,000	\$	746,400,000	\$	(108,600,000)
Capital Projects Bond Authorization:			1,358,525,736		1,083,833,438		(274,692,298)
			<u>2,213,525,736</u>		<u>1,830,233,438</u>		<u>(383,292,298)</u>

5) **Amount indicated is the unissued remaining statutory debt limit.**

6) **Amount indicated is disclosed capital projects not yet Authorized.**